

(517) 487-5966
FAX (517) 487-5213



Michigan State AFL-CIO

419 Washington Square South, Suite 200 • Lansing, Michigan 48933-2138

MARK T. GAFFNEY, *President*

TINA ABBOTT, *Secretary-Treasurer*

May 23, 2006

TO: Members of the House Health Policy Committee

FROM: Ken Fletcher, Legislative Director

RE: Health Insurance Rebates for Wellness Programs – SB 848 and 849

The Michigan State AFL-CIO supports the goals of SB 848 and 849. The only way that this nation is going to get the spiraling cost of health care under control is for people to begin adopting healthier lifestyles. As a society, we all need to eat less, eat healthier, and stop leading sedentary lives.

We are all for incentives to encourage people to make the behavior changes necessary to help them lead healthier lifestyles. A growing number of employers are recognizing the benefits of offering these types of incentives. Companies are beginning to establish fitness centers for their employees and some are even allowing employees to take time during the workday to exercise. Others are offering smoking cessation programs, weight loss contests and lifestyle consultants to help employees become healthier.

Unfortunately, some employers have decided to force lifestyle changes on their employees by either penalizing them, or in some cases, firing them for unhealthy behaviors. The most extreme example of one of these employers is Howard Weyers, president and owner of Weyco, Inc. in Okemos. He made news last year by firing any employee who smokes. His employees cannot even smoke on their own time when they are at home. He forces all his employees to take random blood tests and if nicotine is found in their system, the employee is suspended for 30 days and then fired if they are still smoking. He has now extended the ban on smoking to the spouses of his employees who are covered under the Weyco health insurance plan. If they smoke or refuse testing, the employee is charged an additional \$80 a month for their health insurance.

This year, Weyers has begun asking his employees to take so called "voluntary" health exams. These exams are anything but "voluntary". An employee who chooses not to participate will see their monthly health premium go up as much as \$185 a month for family coverage. We cannot support this type of paternalistic attitude. Employees, and their family members, should not have to forfeit their personal freedoms just because they are covered by an employer provided health plan.

We have concerns that Senate Bills 848 and 889 would now create a financial incentive for employers like Howard Weyers to begin forcing participation in wellness programs. As I stated earlier, we support incentives to encourage healthy behaviors, we do not support employer coercion. We believe that a simple amendment to Senate Bills 848-849 could fix that problem.

We propose that you amend the bills to state that “there will be no adverse consequences to employees who choose not to enroll or participate in these programs”. This would provide workers with protection from employer coercion.

With this change, we believe that Senate Bills 848-849 could become a positive tool to help change behaviors to enable people to lead healthier lifestyles in Michigan.

Thank you.